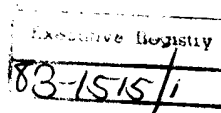


The Deputy Director of Central Intelligence

Washington, D.C. 20505



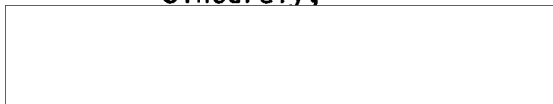
17 March 1983

Mr. Michael O'Neal  
House Permanent Select Committee  
on Intelligence  
Washington, D.C. 20515

Mike:

Our appreciation to you, the HPSCI staff  
and of course the Chairman for the very thoughtful  
letter to Congressman Jones regarding the retire-  
ment system for intelligence employees. We are  
grateful for your support and attentiveness.  
It's sure nice to have someone on the Hill looking  
out for us.

Sincerely,



John N. McMahon

STAT

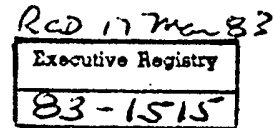
EDWARD P. BOLAND, MASS., CHAIRMAN

Room H-406, U.S. Capitol  
(202) 225-4121CLEMENT J. ZABLOCKI, WIS.  
ROMANO L. MAZZOLI, KY.  
NORMAN Y. MINETA, CALIF.  
WYCHE FOWLER, JR., GA.  
LEE M. HAMILTON, IND.  
ALBERT GORE, JR., TENN.  
LOUIS STOKES, OHIO  
DAVE MCCURDY, OKLA.J. KENNETH ROBINSON, VA.  
G. WILLIAM WHITHURST, VA.  
C. W. BILL YOUNG, FLA.  
BOB STUMP, ARIZ.  
WILLIAM F. GOODLING, PA.THOMAS K. LATIMER, STAFF DIRECTOR  
MICHAEL J. O'NEIL, CHIEF COUNSEL  
PATRICK G. LONG, ASSOCIATE COUNSEL

## U.S. HOUSE OF REPRESENTATIVES

PERMANENT SELECT COMMITTEE  
ON INTELLIGENCE

WASHINGTON, D.C. 20515



March 15, 1983

Honorable James R. Jones  
Chairman  
Committee on the Budget  
A214 House Office Building Annex 1  
Washington, D. C. 20515

Der Mr. Chairman:

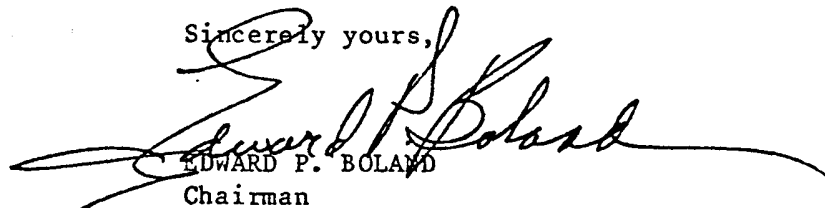
Under separate cover, I today transmitted to you the report of the Permanent Select Committee on Intelligence pursuant to Section 301 of the Congressional Budget Act of 1974. I want in this letter to explain an underlying assumption of that report and express the concern on which it is based.

In making its report, the Committee did not posit any budget reduction based on revisions of any retirement system for intelligence employees in either the National Foreign Intelligence Program or the Tactical Intelligence or Related Activities. I believe strongly that proposals to revise both Civil Service and special retirement systems such as those affecting employees of the Central Intelligence Agency, Federal Bureau of Investigation and the Foreign Service need to be studied thoroughly. A clear understanding of the nature of the federal work force and policies which will ensure its continued effectiveness are prerequisites for any consideration of a basic restructuring of federal retirement systems.

I urge the Committee on the Budget to consider very carefully the complex nature and hidden problems attendant on changing such retirement laws. The intelligence and foreign policy communities greatly depend on the unique features of their various retirement systems for management of a highly professional and specialized work force. Proposals in the FY 84 budget to revise the Civil Service and these systems - if adopted in their present form - would have a severe effect on the efficiency of these agencies. Careful and deliberate study of the administration's proposals and a range of other options is essential.

With every good wish, I am

Sincerely yours,



EDWARD P. BOLAND  
Chairman